



WASHOE COUNTY, NEVADA

POPULAR ANNUAL FINANCIAL REPORT

FISCAL YEAR ENDING JUNE 30, 2016



Washoe County was incorporated in 1861 and is a political subdivision of the State of Nevada. The County is governed by a five-member Board of County Commissioners (BCC) elected by constituents within their districts for a 4-year term. The County covers an area of 6,600 square miles in the northwest section of the state. The county seat is the City of Reno, the fourth largest city in Nevada. Other communities in the County include Sparks, Sun Valley, Wadsworth, and Incline Village.

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A Message from the Comptroller

To the Citizens of Washoe County, Nevada:

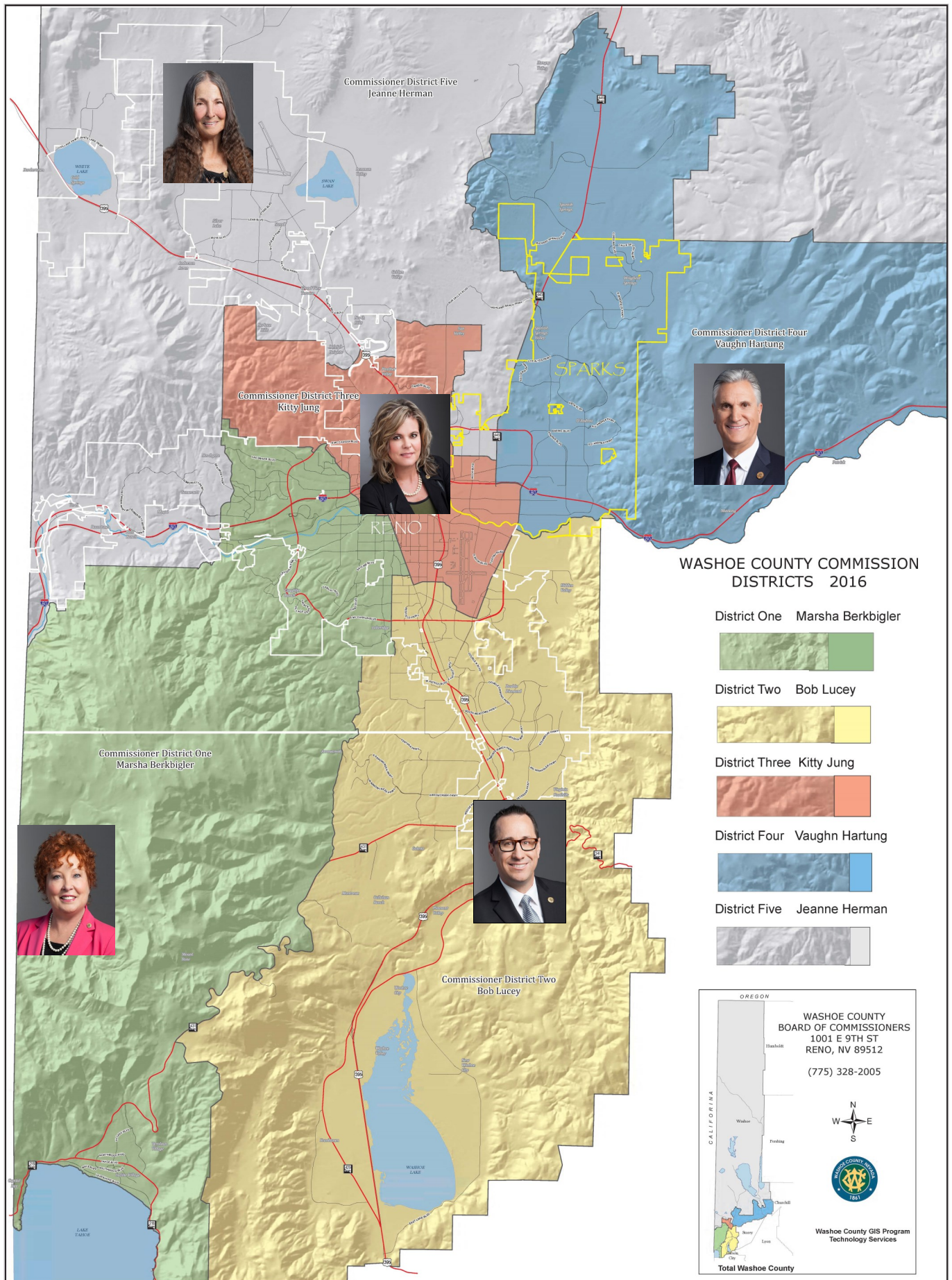
I am pleased to present the Popular Annual Financial Report (PAFR) for Washoe County, Nevada, for the fiscal year ended June 30, 2016.

The PAFR is a user friendly report of the County's financial operations in fiscal year 2016 for our citizens. The audited financial report is the County's Comprehensive Annual Financial Report (CAFR). Much of the information in this PAFR comes from the County's CAFR. Both of these reports are available online at <https://www.washoecounty.us/comptroller/index.php>

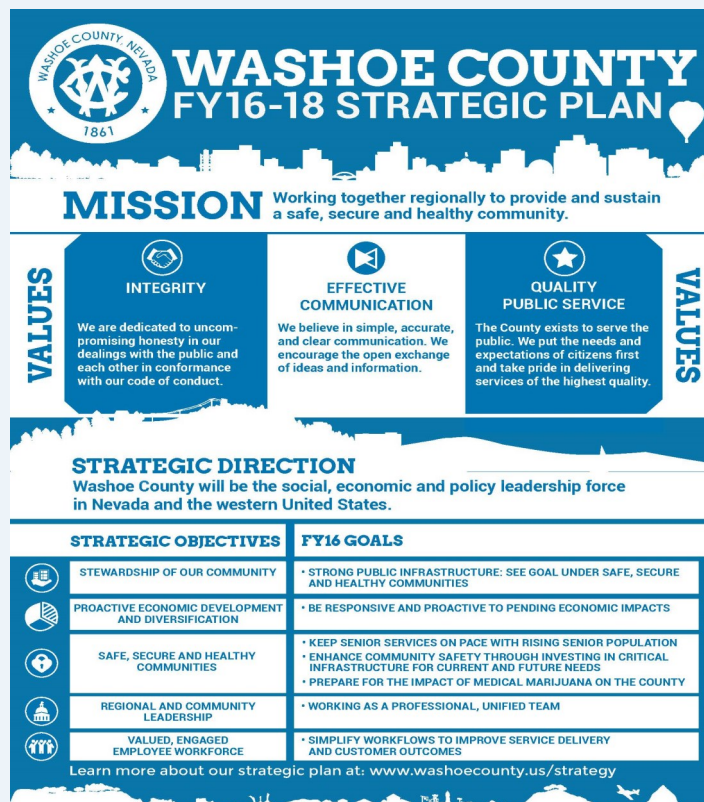
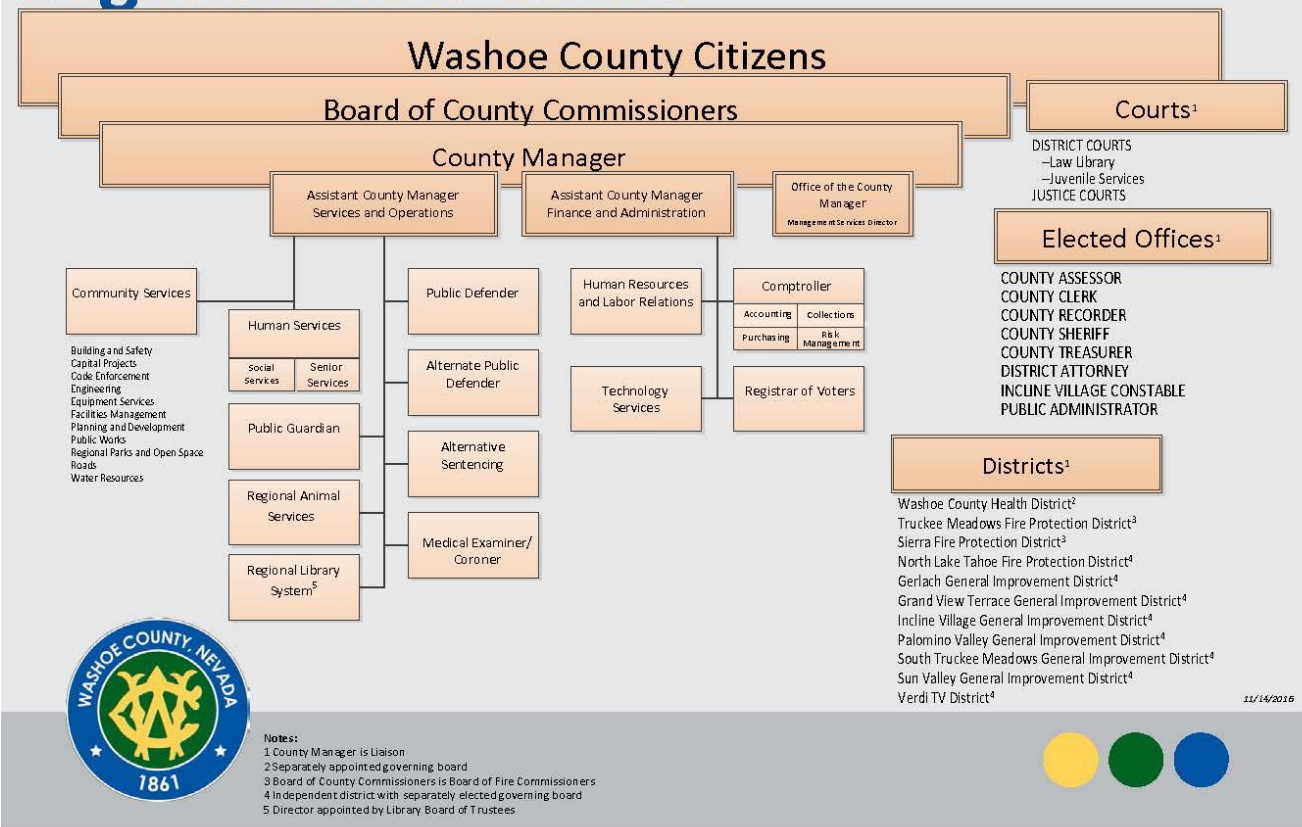
The CAFR is prepared annually by the staff of the Comptroller's Department in accordance with Generally Accepted Accounting Principles (GAAP). The County's financial statements are then audited by Eide Bailly, LLC, an independent professional accounting firm. This provides a level of assurance to the Board of County Commissioners, County Manager and the citizens that these financial statements are free of material misstatement. Based on the audit for the period ended June 30, 2016, Washoe County received an unqualified opinion that Washoe County's financial statements are fairly presented and in accordance with GAAP.

Washoe County continues to recover from the "Great Recession". The County's General Fund budget increased by nearly \$8 million to \$291 million this fiscal year. The increase was largely a result of increased costs for personnel and includes \$3 million restricted for stabilization purposes. The ending fund balance is over \$44 million which is more than three times what is required as a minimum by State statute, and is within the Board's adopted fund balance policy that recommends a minimum fund balance level in the General Fund for the purpose of working capital to between 10 and 17 percent.

Sincerely,
Cathy Hill



Organization Chart



The purpose of the Popular Annual Financial Report (PAFR) for Washoe County is to provide to the public with the highlights of the County's Comprehensive Annual Financial Report (CAFR) for the year ended June 30, 2016. The CAFR is a detailed and complete financial presentation prepared in conformance with the United States Generally Accepted Accounting Principles (GAAP) and is available to the public in its entirety on Washoe County's website at <https://www.washoecounty.us/comptroller/CAFR/index.php>. A printed copy is also available by contacting the Comptroller's Department at P.O. Box 11130, Reno, NV 89520. The CAFR details how the County spent its budget of more than \$180 million during the past fiscal year, July 1, 2015 through June 30, 2016. The CAFR is prepared by the Comptroller's Department and is independently audited by Eide Bailly, LLP, receiving an unmodified (clean) opinion.

Washoe County financial activities in total are made up of two main classifications: governmental and business-type activities. Governmental activities include all primary governmental functions such as justice, public works, public safety, health and sanitation, welfare, culture and recreation, and community support. These activities are supported by taxes. Business-type activities are funded through user fees and charges. These activities include a sewer utility, golf courses and building permits.

	Governmental Activities		(in Thousands) Business-Type Activities		Total	
	2016	2015	2016	2015	2016	2015
Assets						
Current and other assets	\$ 241,413	\$ 224,585	\$ 100,003	\$ 114,826	\$ 341,416	\$ 339,411
Net capital assets	508,350	525,394	143,256	131,332	651,606	656,726
Total Assets	749,763	749,979	243,259	246,158	993,022	996,137
Deferred outflows of resources	61,611	49,352	1,190	631	62,801	49,983
Liabilities						
Current liabilities	44,554	38,855	3,626	13,707	48,180	52,562
Noncurrent liabilities due within one year	36,865	36,533	2,591	2,474	39,456	39,007
Noncurrent liabilities due in more than one year	515,953	475,043	19,485	20,720	535,438	495,763
Total liabilities	597,372	550,431	25,702	36,901	623,074	587,332
Deferred inflows of resources	44,729	79,370	415	1,023	45,144	80,393
Net Position						
Net investment in capital assets	412,863	415,132	126,705	112,543	539,568	527,675
Restricted	116,440	102,385	1,122	1,234	117,562	103,619
Unrestricted	(360,030)	(347,987)	90,505	95,088	(269,525)	(252,899)
Total net position	\$ 169,273	\$ 169,530	\$ 218,332	\$ 208,865	\$ 387,605	\$ 378,395

The largest portion of the County's net position remains its investment in capital assets (e.g. land, buildings, equipment and construction in progress), less any outstanding debt used to acquire them. Capital assets are used to provide services to citizens and therefore are not regarded as being available to fund future spending.

CAPITAL ASSETS	ENDING BALANCE
Land and land use rights	\$ 143,465,557
Construction in progress	\$ 10,708,903
Land improvements	\$ 19,960,506
Building/improvements	\$ 174,988,391
Infrastructure	\$ 140,033,383
Equipment	\$ 15,217,300
Software	\$ 3,976,116



The General Fund is the County's primary operating fund. Total fund balance increased \$2.1 million (4%) for the year, driven by revenue growth that slightly outpaced increased expenses. The stabilization portion of fund balance represents funds reserved for stabilization purposes in the event of a fiscal emergency as authorized Nevada Revised Statutes 354.6115

The following table shows how property taxes are calculated and used for Washoe County. As an example, the total County property tax rate for a new median price single family home valued at \$200,000 is shown below. The assessed value is 35% of the total appraised value; in this example \$70,000. The individual tax rates detailed below are per \$100 of the assessed value.

USE	RATE	ANNUAL COST	
Washoe County Operations	0.9905 \$	693.35	Oper. & Debt
Cooperative Extensions	0.0100 \$	7.00	
Debt Service Fund	0.0349 \$	24.43	
			Legislative Overrides
Detention Center	0.0774 \$	54.18	
Indigent Insurance Program	0.0150 \$	10.50	
China Springs Regional Youth Detention Facility	0.0075 \$	5.25	
Family Court	0.0192 \$	13.44	
Indigent Tax Levy Fund	0.0600 \$	42.00	
Capital Projects Fund (\$.03 to State)	0.0500 \$	35.00	
AB 104 (shared with other entities)	0.0272 \$	19.04	Voter Overrides
Library Expansion Fund	0.0200 \$	14.00	
Animal Services Fund	0.0300 \$	21.00	
Child Protective Services Fund	0.0400 \$	28.00	
Senior Services Fund	0.0100 \$	7.00	
	1.3917 \$	974.19	

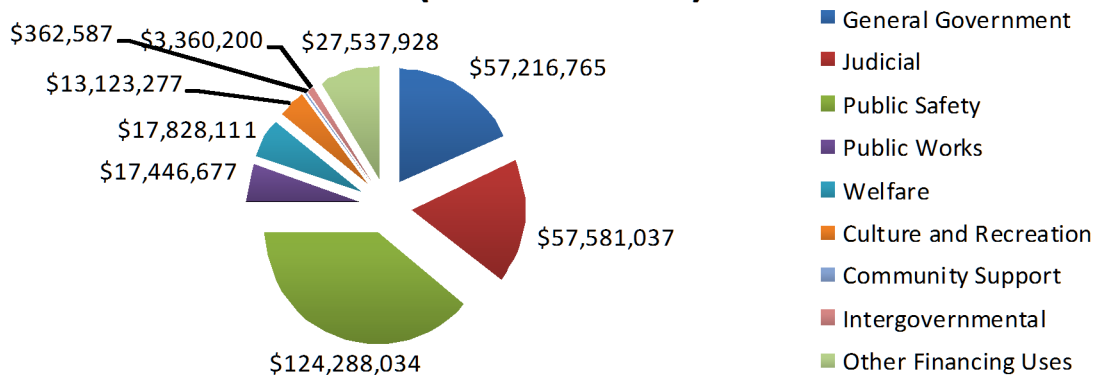


GENERAL FUND

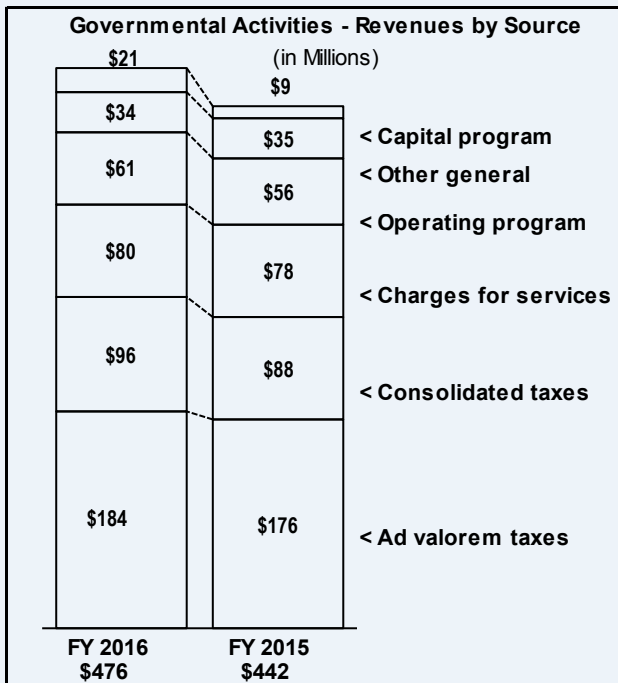


	2016 BUDGET	2016 ACTUAL
Revenues		
Ad Valorem Taxes	\$ 146,951,413	\$ 148,383,116
Consolidated Taxes	\$ 315,000	\$ 412,902
All Other	\$ 154,191,430	\$ 159,876,074
Total Revenues	\$ 301,457,843	\$ 308,672,092
Expenditures		
General Government	\$ 57,216,765	\$ 55,863,189
Judicial	\$ 57,581,037	\$ 55,356,065
Public Safety	\$ 124,288,034	\$ 121,798,560
Public Works	\$ 17,446,677	\$ 15,899,178
Welfare	\$ 17,828,111	\$ 14,474,688
Culture and Recreation	\$ 13,123,277	\$ 12,438,904
Community Support	\$ 362,587	\$ 194,553
Intergovernmental	\$ 3,360,200	\$ 3,373,081
Other Financing Uses	\$ 27,537,928	\$ 27,135,027
Total Expenditures	\$ 318,744,616	\$ 306,533,245

FY16 General Fund Adopted Budget Expenditures by Function (in thousands)



FINANCIAL INFORMATION

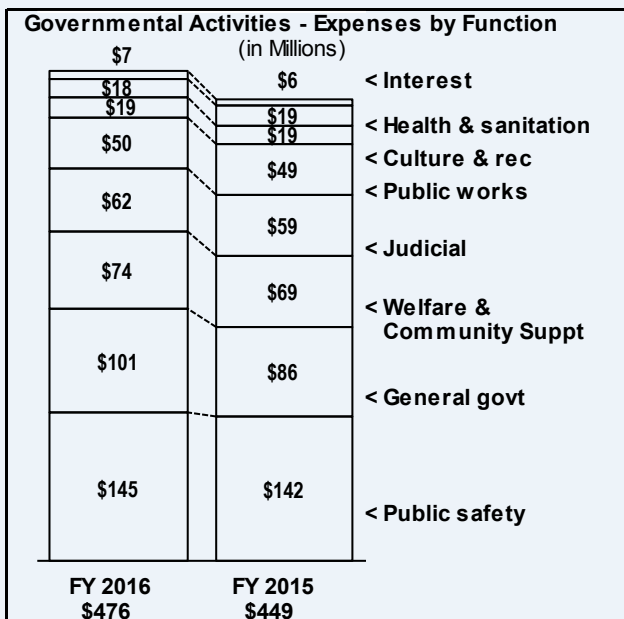


Together, ad valorem and consolidated taxes make up 59% of revenues from governmental activities. Ad valorem taxes of \$184 million were \$8 million (4%) higher than the previous fiscal year, FY15, as property valuations increased moderately. Consolidated sales taxes (received from the state) increased significantly for the fifth consecutive year, growing by \$8 million (9%).

Charges for services of \$80 million increased \$2 million (2%) over the previous year.

Operating program revenues increased by \$5 million (9%) compared to the prior year, due primarily to increase in federal and state grant revenues in Welfare and Public Works.

Expenses for governmental activities increased by \$27 million (6%) compared to the prior year, primarily as the result of increases in salaries and benefits, which impacted all functions. Services and supplies expense for general government and public works also increased during the year. These increases in spending are a reflection of economic recovery and were anticipated in the budget.





QUICK FACTS

- ◇ 21,026 hours of paving, pothole patching and creek sealing = 10.5 million square feet or 165 lane-miles of paving
- ◇ Served 356,827 meals to 4,063 senior citizens
- ◇ 116 finalized adoptions
- ◇ 364 children reunified
- ◇ 14 low cost vaccination clinics serving
- ◇ 3 free vaccination/licensing clinics and 10 pet food distribution events for seniors
- ◇ 34,000+ calls responded to by Animal Control Services Officers

STATISTICAL INFORMATION

Population	451,248
Median Age	51
School Enrollment	63,670
Unemployment Rate (Percent)	6.4%
New Family Units	320
Total Passenger Air Traffic	3,563,818
Permitted Food establishments	3,663
Birth certificates issued	7,264
Death certificates issued	21,463
Number of adoptions finalized	116
Visitors to libraries (000's)	1,071
Commercial construction permits	227
Network wireless coverage (square miles)	1,440



2016

ACCOMPLISHMENTS

- ◇ New Medical Examiners building
- ◇ Government Finance Officers Association's Distinguished Budget Presentation 14th year
- ◇ Government Finance Officers Association Certificate of Achievement for Excellence in Financial Reporting 34th year
- ◇ Award of excellence in Community Relations PRSA/Silver Spikes annual award for 2016 State of the County
- ◇ Implemented Project One, online permitting projected with City of Reno, City of Sparks, Washoe County Health District and Washoe County



KEY TERMS

Governmental Funds: The County maintains various governmental funds that are used to account for tax, program and other miscellaneous revenues.

Business-type Funds: Various business-type funds that are used to account for activities for which a fee is charged to external users for goods or services.

Assets: What is owned by the County.

Liabilities: What the County owes.

Net Assets: The difference between the County's assets and liabilities. It is the net worth of the County.

Current and Other Assets: Includes such items as pooled cash and investments, cash and investments with fiscal agents, receivables, internal balances, inventories, deposits with others, prepaid items and deferred charges.

Capital Assets: Includes such items as County land, easements, construction in progress, software, equipment, infrastructure and buildings and improvements net of depreciation.

Long-term Liabilities: Includes such items as bonds, loans, compensated absences, and other County obligations.

Other Liabilities: Includes items such as payables, payroll, accrued interest and unearned revenue.

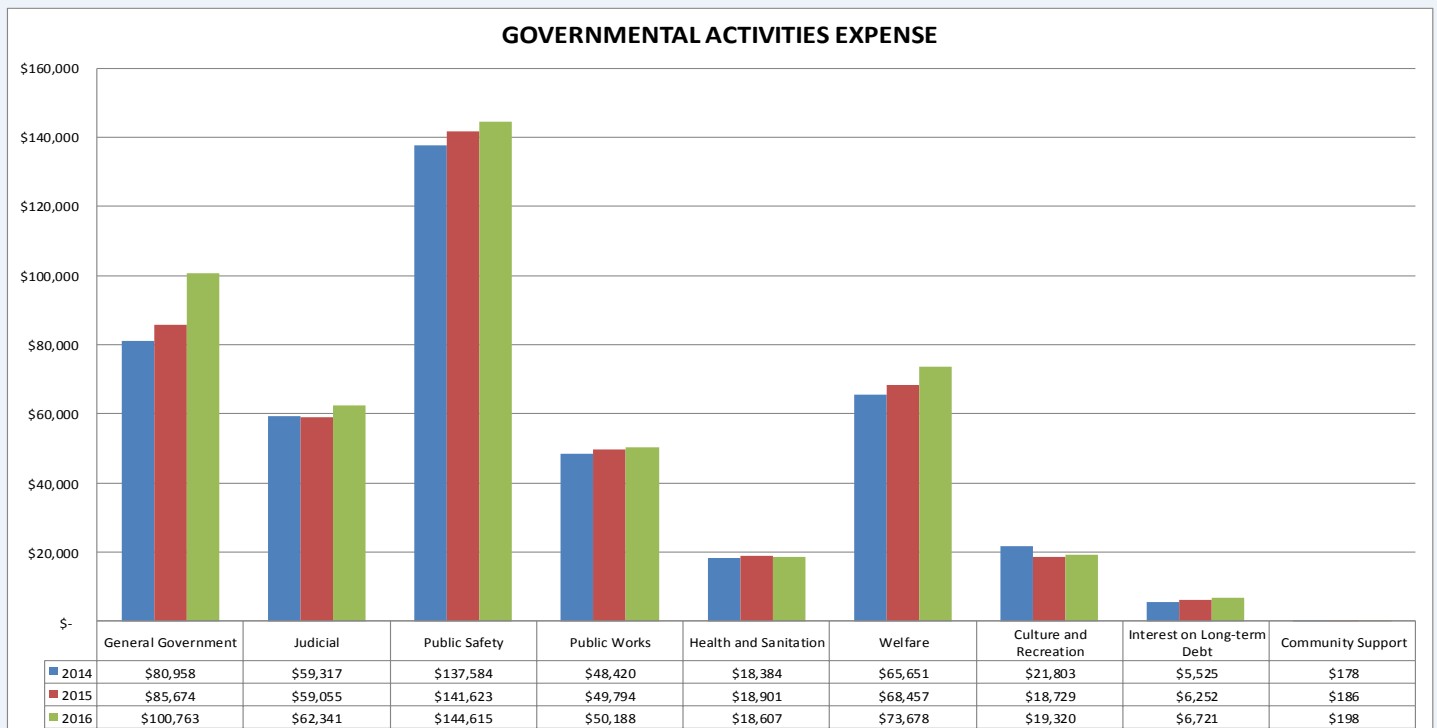
Invested in Capital assets, Net of Related Debt: Represents amounts invested in capital assets less accumulated depreciation and any outstanding debt used to acquire these assets.

Restricted: What is not available for use by the County because it is set aside for a particular use.

Unrestricted: One-time funds available for the County to use for operations.



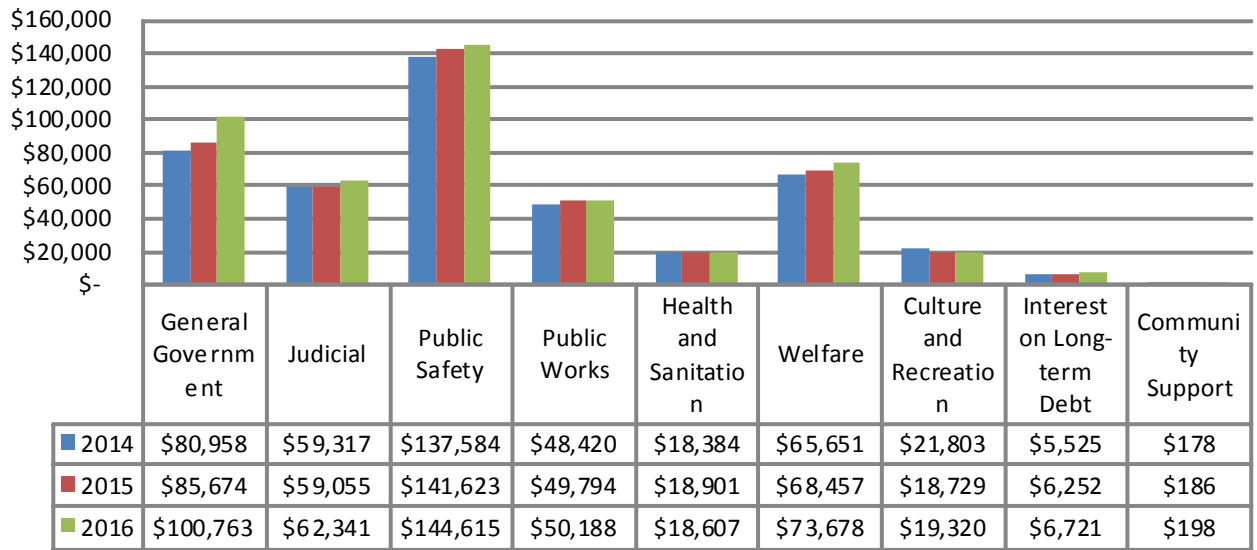
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GOVERNMENTAL ACTIVITIES EXPENSE









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WASHOE COUNTY

FY16-18 STRATEGIC PLAN

VALUES

MISSION

Working together regionally to provide and sustain a safe, secure and healthy community.

VALUES

INTEGRITY

We are dedicated to uncompromising honesty in our dealings with the public and each other in conformance with our code of conduct.

EFFECTIVE COMMUNICATION

We believe in simple, accurate, and clear communication. We encourage the open exchange of ideas and information.

QUALITY PUBLIC SERVICE

The County exists to serve the public. We put the needs and expectations of citizens first and take pride in delivering services of the highest quality.

STRATEGIC DIRECTION

Washoe County will be the social, economic and policy leadership force in Nevada and the western United States.

STRATEGIC OBJECTIVES	FY16 GOALS
STEWARDSHIP OF OUR COMMUNITY	<ul style="list-style-type: none"> • STRONG PUBLIC INFRASTRUCTURE: SEE GOAL UNDER SAFE, SECURE AND HEALTHY COMMUNITIES
PROACTIVE ECONOMIC DEVELOPMENT AND DIVERSIFICATION	<ul style="list-style-type: none"> • BE RESPONSIVE AND PROACTIVE TO PENDING ECONOMIC IMPACTS
SAFE, SECURE AND HEALTHY COMMUNITIES	<ul style="list-style-type: none"> • KEEP SENIOR SERVICES ON PACE WITH RISING SENIOR POPULATION • ENHANCE COMMUNITY SAFETY THROUGH INVESTING IN CRITICAL INFRASTRUCTURE FOR CURRENT AND FUTURE NEEDS • PREPARE FOR THE IMPACT OF MEDICAL MARIJUANA ON THE COUNTY
REGIONAL AND COMMUNITY LEADERSHIP	<ul style="list-style-type: none"> • WORKING AS A PROFESSIONAL, UNIFIED TEAM
VALUED, ENGAGED EMPLOYEE WORKFORCE	<ul style="list-style-type: none"> • SIMPLIFY WORKFLOWS TO IMPROVE SERVICE DELIVERY AND CUSTOMER OUTCOMES

Learn more about our strategic plan at: www.washoecounty.us/strategy









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